

## **GUIDANCE ON THE PAYMENT METHODS FOR RESEARCH VOLUNTEERS, TEACHING VOLUNTEERS, LAY PARTICIPANTS, AND PARTICIPANTS IN CLINICAL TRIALS**

### **1. Introduction**

This guidance is designed to provide a consistent approach to the payment of research/teaching volunteers across the University and therefore applies to all faculties.

The guiding principles below set out the methods by which payments can be made to research volunteers.

This guidance applies to the following types of research/teaching volunteers:

- a. In the course of undertaking research, particularly social science or medical research, volunteers are required to take part in tests, submit to measurements or be interviewed (i.e. be a research participant or subject)  
Volunteers are usually members of the public, however some volunteers may be members of staff, but their participation in the research is not part of their duties of employment and they do it in their own time and are under no obligation to take part.  
They are usually paid a small sum to cover out of pocket expenses and as compensation for the time spent.
- b. Volunteers may also be “lay” people or “users” in research who are invited to attend meetings to give their views on various matters to inform the research process and direction. Often they will be former or current patients, representatives of particular groups such as retired people, or representatives from charities.
- c. Volunteers may also be asked to advise on teaching from a patient and public perspective e.g. to advise on ways to increase patient and public involvement in the curriculum, to comment on the development of new teaching materials, or to advise on the strategy or policy affecting education from a patient and public perspective.  
Payment is made to them for their participation in the meetings for which they may be required to do some preparatory reading.

Research/teaching volunteers carrying out activities other than those described above will need to have their employment status assessed with the relevant HR Partner to check whether they are considered to be workers. As workers they would need to be paid as casual staff.

For example, where someone with relevant ‘lived experience’ is required to act as a co-applicant or research partner (sometimes called a Service User Researcher/Service User Research Assistant (SUR), they would be paid as a casual. Or in the case of teaching, those contributing to the curriculum through regular teaching - related activities would also be paid as a casual.

### **2. Are payments subject to tax and National insurance?**

#### **2.1. Tax consequences for the University**

In the circumstances above, HMRC agrees that the amounts paid to those concerned are unlikely to fall within the definition of “earnings” for PAYE or NI purposes. No employment relationship exists and as such PAYE and NICs would be inappropriate.

HMRC is entitled to ask for details of payments to non-employees at their discretion, but they would not routinely ask for details for small payments such as these.

## 2.2. Tax consequences for volunteers receiving payments

Volunteers will not be required to pay tax (PAYE) or NICs if the sums received do no more than reimburse the individual's reasonable costs of participating in the trial or research or advising on teaching , including costs of travel and subsistence.

However volunteers need to be aware that should the sums paid exceed those reasonable expenses then the excess may fall to be chargeable to tax as Miscellaneous Income, potentially giving rise to personal tax liabilities of the individuals which should be notified to the Inland Revenue under Self Assessment.

Therefore it is in the best interests of the volunteers and the University to ensure the amounts paid are 'reasonable'.

## 2.3. State Benefit consequences for volunteers

Volunteers claiming State Benefits should check with the JobCentre as to whether any payments would affect their benefits. This may differ depending on their personal circumstances.

Individuals should be made aware that they are required to inform the Jobcentre Plus or Pension Service (when receiving Pension Credit) of any paid or voluntary activity.

For health research involvement volunteers may also seek advice from the National Institute for Health Research benefits advice service for involvement: <http://www.invo.org.uk/resource-centre/benefits-advice-service/>

## 3. What is a reasonable payment?

The level of payment set may vary according to the funding available to pay them and the amount of time the volunteers spend including any preparation or training. Payments should be kept to a minimum and **do no more than reimburse the individual's reasonable costs of participating or their involvement , including costs of travel and subsistence.**

## 4. Payment methods

There are three methods available, you can select whichever is most appropriate in the circumstances from:

- payment into the individuals bank account,
- cash,
- gift vouchers.

Please note:

- Some volunteers may decline payment , this is a personal choice and should be respected.
- Factor in time to get authorised signatures.
- You can find out about activity codes and who your authorised signatories are through your Head of School Administration (HOSA)/ Head of School Operations (HOSO).

- Please note that PR7 forms should not be used for payments, as tax will be deducted from payment using this method.

#### 4.1. Payment to bank account

Payment to the volunteer's bank account using claim form PR20:

<http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=8828>.

PR20 claims can only be paid by BACs payment (cheques can no longer be raised). This form can also be used to pay a volunteer who is also a member of staff. The form requires an activity code and authorised signature. When completed by the person organising the involvement activity, it should be forwarded to HR Services (2nd floor Simon Building), where BACs payment will be arranged.

Pros: this is the preferred method by the University as there is no need to carry around large sums of cash. However, for smaller amounts, cash advance payment may be more appropriate due to its speed.

Cons: cash not available on the day of the involvement activity to reimburse travel cost; some people may not have bank accounts or be able to afford to wait for reimbursement; time taken to administer transfer of funds.

#### 4.2. Cash payments

These are most appropriate where individuals do not have a bank account, or for small sums. There is no limit to the number of cash advances that can be made in a financial year. There are two ways of acquiring cash:

##### 4.2.1. Cash Advances

A nominated individual must take responsibility to administer cash advances and complete two forms: PR4A and PR4B.

- Form PR4A requests the amount of cash to be made available:  
<http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=8283>  
Form PR4A requires an activity code (not a research code) and an authorised signature before being sent to HR Services. They will require two weeks' notice to arrange the cash which will be paid into the requester's bank account. The cash is then held by the nominee and paid to the recipients, who must sign for receipt of the payment, on completion of the involvement activity.
- When the involvement activity is complete, form PR4B needs to be completed:  
<http://documents.manchester.ac.uk/DocuInfo.aspx?DocID=8284>  
This is a statement of expenditure listing what the monies have been spent on. It is recommended that you make a note of each person you provide payments too, how much you provided and ensure that the volunteers sign to say they have received it. Any remaining cash to be returned should also be included in this form. Completed forms should be returned to HR Services.

In accordance with Financial Procedure 4.29:

“Cash should be handed into the Income Office on a daily basis. If, in exceptional circumstances, this has not been possible, all cash must be held by the School in a lockable container or safe. To reduce risk and comply with the University's insurance cover, the following limits apply:

- Sums up to £1,000 may be held in lockable containers that are not easily removable. A “lockable container” could be a locked metal cash box stored in a locked metal filing cabinet (not a desk or wooden cupboard).
- Sums over £1,000 must be held in a safe suitable for the holding of the required sums.
- Where holdings in any safe may exceed £3,000, the Insurance Office must be advised in advance of this sum being exceeded.

Whenever premises are left unattended, the keys and/or combination for the safe or other container must be kept in a locked drawer or cabinet in a different room from the container or safe, unless other arrangements have been agreed with the Insurance Office. “

Pros: cash is made available on the day of the involvement activity; enables prospective budgeting for involvement activities; some volunteers may not have a bank account.

Cons: the University does not hold much cash, so advance planning is essential; allow enough time for Income office to arrange cash to be made available; carrying around large amounts of cash.

#### **4.2.2. Petty Cash**

If you need to arrange cash at short notice, it might be quicker and more appropriate to use petty cash. This might be held locally by a School or Institute/Department. You can find out who your petty cash officer is and what the local procedures are, through your Head of School Administration (HOSA)/ Head of School Operations (HOSO). You are advised to check with the petty cash holder prior to use, whether there are sufficient funds available.

Pros: this may be a quicker way to obtain cash; cash available on the day of the involvement activity.

Cons: there may be many demands on petty cash resulting in not enough cash being available at short notice. Schools only hold small sums of petty cash.

#### **4.3. Gift Vouchers**

In some cases, you might want to offer, or be asked for, an alternative form of payment. Gift vouchers may be used and can be arranged in the normal way (i.e. purchased using a department credit card or purchased by a member of staff and claimed through expenses).

A record must be kept locally of vouchers issued for this purpose. They must be stored securely like cash as set out in 4.2.1 above.

Pros: This may be more suitable for certain groups of volunteers where the payment is very small.

Cons: Vouchers must be treated with the same level of care and security as if they were cash; vouchers have a use by date so should not be bought in bulk.